

## ACTU calls for 7% increase to minimum wages

The ACTU announced today it will seek a 7% increase for Australia's minimum and award wages as part of its submission to the Annual Wage Review.

Each year, the Fair Work Commission hears from unions and employers before deciding whether to lift minimum wages and award wages and by how much. About one in four workers (or 2.67 million) are directly affected by this decision, which comes into effect on 1 July 2023.

A 7% wage increase would lift the minimum hourly rate to \$22.88 and the minimum annual full-time rate by \$2966 to take it to \$45,337.28.

The ACTU submission argues that workers who rely on the minimum wage and award wages have suffered substantial real pay cuts – the greatest on record – over the past two years. The cost-of-living crisis is even more acute this year than last.

Yesterday's CPI figure was 6.8%, so this is a cost-of-living increase that aims to protect the real value of wages. A 7% pay rise is about economic survival for many working people.

To support this increase, the ACTU's submission also argues that businesses have posted strong profits, showing wage increases are more than affordable; minimum and award wage increases had no discernible impact on inflation last year; and the biggest risk to the economy is the collapse in consumer spending power as wages have gone backwards.

A decent increase to minimum and award wages is part of the solution to Australia's cost-of-living crisis.

### Quotes attributable to ACTU Secretary Sally McManus:

"A 7% pay increase is essential for minimum and award wage workers, who have suffered real wage cuts over the past two years. This increase is vital to help working people keep their heads above water. It is simply about survival for the lowest paid workers in our country.

"There are real people behind the statistics of Australia's cost-of-living crisis – the workers we rely on to deliver vital services in early learning, aged care, disability care, fast food, cleaners, security, and retail. People are skipping meals, avoiding medical care, and dreading their next bill. Rents have skyrocketed along with the cost of essentials such as groceries, clothing, fuel, and childcare. Working people need a lifeline.

"Any argument by business lobbyists for anything less is an argument that their customers – the people who drive consumer spending – should cut back even more. The economy is people and people are hurting. We must support those who are hurting the most and a cost-of-living increase to the minimum wage is the direct way of doing this.

"There is now general acceptance of what the ACTU has been saying for a year: there is no wage-price spiral in Australia. Instead, companies have been posting huge profits, driving inflation by through excessive price rises. It's time they conceded they can afford to pay their workers more and stopped hurting the people who can least afford it through wage suppression and high prices."

**ENDS**

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